



State of Connecticut SENATE

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March 4, 2016

Chairs Bye and Walker and esteemed members of the Appropriations Committee:

My name is Tony Hwang and I am state Senator of Connecticut's 28th District.

We must enact long-term structural changes to restore predictability, sustainability and transparency to the Connecticut state budget.

Predictability, sustainability and transparency will lead Connecticut out of its fiscal crisis.

Predictability, sustainability and transparency will allow us, as Democrats and Republicans, to create the 'ecosystem' that job creators like General Electric, Sikorsky and many mid-size and small businesses crave.

We owe that predictability, sustainability and transparency to the taxpayers, to our businesses and to future generations.

With those opportunities in mind, I urge your support of:

HB 5418: AN ACT CONCERNING ESTABLISHING THE ANTICIPATED RATE OF RETURN FOR INVESTMENTS IN STATE RETIREMENT PLANS.

This proposal would designate the Investment Advisory Council to establish the assumed rate of return for the state's pension plans. Current law allows the retirement commission to set its own rates. This modification will take some of the politics out of the process and will allow the state to fund its retirement systems more responsibly.

HB 5086: AN ACT CONCERNING THE CONSTITUTIONAL SPENDING CAP.

This proposal would implement the constitutional limitation on expenditures by the General Assembly. The citizens of Connecticut deserve a government that is reasonably and responsibly spending its funds. An opinion issued by Connecticut's Attorney General states that Connecticut's current constitutional spending cap, which passed with overwhelming voter support in 1992, "has no legal effect" in its current form because lawmakers never adopted definitions to solidify the law in statute. Without definitions, the constitutional amendment is futile, according to the Attorney General's opinion. Enacting an enforceable state spending cap would be a terrific step toward getting Connecticut back on the path toward predictability, sustainability and transparency.

HB 5417: AN ACT CREATING AN OFFICE OF OVERTIME ACCOUNTABILITY.

In 2015, the state shelled out approximately \$240 million in overtime. Let that amount sink in: \$240 million in taxpayer dollars in just one year. Overtime also represented 9 percent of the total earnings that were calculated into pension benefits for the 1,298 employees who retired in 2015. This proposal will enable us to take a serious look at cutting back on these expenses as a way to help erase the deficit and make necessary structural changes.

I thank the Appropriations Committee for the tireless work they do, and I thank the panel for raising these bills. These proposals will serve to help turn our state around.